



ACCRUAL WORLD FOR ACCOUNTANTS

CHAPTER 3

PREFACE

This is a story about what happens when the lunatics take over the asylum. About how those quiet champions of common sense and moderation, the chartered accountants, stand up to be counted in the cause of justice and decency. About how they are persecuted, driven underground, and silenced. For a while.

It is a story about the chaos, economic and social, that ensues when the world is unable to count, and its most venal, self-serving and manipulative elements are thus rendered unaccountable.

Finally, it is a story about how accountancy proves to be inextinguishable, how its practitioners answer the call, rise to the challenge and emerge as the saviours of freedom and democracy, and drag our society back from the brink of the Dark Ages.

Any questions?

THE STORY SO FAR

A vicious down-turn in the economic cycle has brought wide-spread hardship and ruin to the small business community. The big banks are widely regarded as the villains of the piece – a notion that is cleverly exploited by the Albion Party and their opportunistic leader Jack Wright, self-styled champion of the SME.

As the economic infrastructure of the country creaks, the Albion Party fans the flames of unrest, whipping up public antagonism against the banks and the accountancy profession, depicting them as co-conspirators and the enemies of small business.

As the persecution of accountants gathers pace, they are unable to perform their normal duties. As the government's tax revenues dry up, public services collapse and the Albion Party 'comes to the rescue', forming local militia to provide make-shift contingencies.

Gold becomes the leader of a small, underground cell that tries to preserve the principles of financial order and probity in the midst of economic meltdown and political madness.

Unaware of Gold's secret life, his wife Ariadne offers her services to the Albion Party – but whose side is she really on?

Finally, Jack Wright's plot culminates in a bloodless coup d'etat. The Party assumes unlimited powers on the pretext of saving the country from anarchy and ruin.

Margaret, Stephen Weatherby's maroon 1995 Volvo 740 Estate, limped into Barraclough Close, Eastbourne, on three cylinders. It had taken three radiators' worth of water to coax her through the interminable suburbs of South London. Her fever had abated slightly along the sinuous country sections of the A22, but the road was unlit, the potholes unfilled, so Margaret was rarely able to achieve the speed necessary to cool her furred and corroded vascular system.

By a remarkable stroke of luck, the mischievous pixie in charge of her electrics fused her headlights just moments before she swung into the Close. So while Stephen clocked the two black vans pulled up across his driveway, their occupants failed to notice his arrival.

He pulled up abruptly at the kerb, twenty metres from the house, switched off the engine and sidelights, slithered down in his seat so that he was just able to see over the dash between the spokes of the wheel.

A moment later, a shrill whistle sounded and the rear doors of the vans were flung wide. Out of each poured a dozen black-clad and helmeted officers, brandishing plastic shields – except for the pair wielding the battering ram.

Stephen recognised the uniforms of the so-called 'Commercial Police' – the special *cadre* recruited by Jack Wright and trained to harass the bankers and, latterly, the accountants. They were mere vigilantes, of course. But presumably, in the new political order, they would be confirmed as legitimate agents of the State.

As the front door burst inwards under the weight of the ram and the CPs jostled into the house, he thanked God that Judy was visiting her sister in Rye. Houselights flickered on around the Close, but were quickly extinguished as the neighbours recognised the sinister livery of the vans.

Soon a steady stream of police emerged from the house, bearing computers, filing cabinets and sheaves of paper. Stephen watched as twenty years of his professional life were tossed into the back of a truck.

The whole operation took less than an hour. Then they were gone, sweeping past him and out of the Close, bound for the CP's southern headquarters in Lewes.

He waited a further half hour in case their departure had been a feint to flush him out. Then he walked slowly up his drive on a carpet of torn and muddy spreadsheets. The neighbours' curtains twitched. He stepped over the splintered wreckage of his door into the darkened hallway. He felt his way into the dining room and switched on the light. His wife was sitting bolt upright on the sofa. Her eyes were wide, her face stretched taut and white. 'Judy! What...? I thought...'

'Came home,' she whispered hoarsely. 'Surprise.'

Stephen strode across the room and knelt before her, taking her in his arms. Her body remained rigid and she trembled beneath her threadbare candlewick dressing gown.

'They've broken everything,' she murmured. 'Everything.'

As the street lights flickered on, pink and tentative, Alan Gold did something he hadn't done since his eighteenth birthday. He entered a public house. This was no easy feat, for the King William IV was heaving with noisy, jubilant drunks. He shouldered his way to the bar between knots of revellers and had to shout loudly, twice, for a red wine. Then he leaned against the balustrade of a raised dias and surveyed the scene below.

'Here's to Jack!' bellowed a sweating thirty-something, his shirt dangling over the sagging waistband of a shiny brown suit.

'To Wrighty!' responded his companions with unbridled enthusiasm.

'Now we'll see a few changes, you wait. Those bastards in the City won't know what's bleedin' hit 'em.'

One of the party seemed to be having a little trouble keeping up. 'What bastards are they, then?'

'ALL of 'em! They're ALL bastards! Money-grubbin' sons of whores!'

'Maybe now,' offered another, 'we'll get a bit of lorawda!'

'What's that, then?' inquired the confused one.

'You know! *Lor!* Lor...an'...awda! Sort out the druggies and the muggers and them bloody acc-ARNT-ants!'

Alan repressed a smile. He'd been assigned some odd bedfellows in his time, but this beat all.

'Them's the worst!' affirmed a pink man with jug ears and no discernible neck. 'Worse than what the banks are. They'd stab yer in the back, would them acc-arnt-ants. At least the banks stab yer in the front.'

'Thassit!' agreed Shiny Suit violently. 'You don' mind so much when yer stabbed in the front. At least it's fair an' honest. Not like them acc-arnt-ants. Blind you wiv figures they do, 'til you don' know which way's up. Then, poof! They're up an' gone and you're left there, bleedin' skint wiv the bank breathin' darn yer neck.'

'I heard Jack Wright's goin' to nationalise the banks!' chipped in Confused, hopefully.

Jug Ears stared at him pityingly. 'Mine's already national, innit? NatWest. That's what it means – National West.'

'I used to be wiv Abbey National,' said Shiny Suit, sadly. 'But now it's just Abbey. Bastards.'

'Bastards,' nodded Jug Ears.

Alan sipped his wine reflectively. So. Nationalise the banks, would they? That sounded like fun and games.

'I 'eard it on Five Live,' pursued Confused. 'Jack was on. He said when Labour got in, the first thing Gordon Brown done was untie the Bank of England 'cos it didn't 'ave enough freedom. Whereas what *he's* going to do is *tie up* the other banks, 'cos they've got *too much* freedom.'

The others nodded sagely. 'Makes sense. He's not daft, is Jack.'

Confused prattled on eagerly. 'He said he's goin' to turn 'em all into one big national bank called the Bank of Albion.'

'Bloody good idea,' endorsed Jug Ears. 'It's what we need, is that. A Bank of Albion. Now get 'em in, Colin, you tight little git.'

Alan slipped through the throng and into the street, which more than anything resembled a crowd scene from *Oliver!* What was everyone so excited about? The country was on the brink of financial meltdown, crime, organised and opportunistic, was at unprecedented levels, basic services were virtually non-existent. To cap it all, a neo-fascist dictator had hijacked, pun intended, the last vestiges of a democratic system that had taken a thousand years to build, and planned to deliver a fatal blow to a financial infrastructure that was once the envy of the developed world. And the public chose to celebrate this most dire and ominous occasion with a street party. It was incredible.

His sombre mood deepened in inverse proportion to the carnival atmosphere that became ever more exuberant as he shoved and edged his way down Heath Street. Fireworks were exploding, with a circumstantial irony, over Parliament Hill. Hampstead hadn't seen anything like it since VE Day.

He let himself into the flat. He immediately noted that there was no sensory evidence of food preparation. Ariadne was sitting at the kitchen table. She was flushed and dispensing with the usual niceties began, 'I have some news for you!'

'I've heard it already. It's a zoo out there.'

'Not the new government,' Ariadne retorted impatiently.

'Coup d'etat,' Gold corrected.

'Whatever. Anyway, that's not my news. My news is, I've got a job.'

Gold stared at her. Ariadne and paid employment: they were like matter and anti-matter, incapable of coexisting in the same universe. It had been a major bone in an entire skeleton of contention throughout their marriage – especially since the Collapse.

'What sort of job?'

'You won't like it!' replied Ariadne with obvious satisfaction. 'I'm working for the Albion Party.'

Gold sat down heavily, giddy with serendipity. He's spent half the evening puzzling over how he could persuade his wife to infiltrate the Party, and she'd gone and done it all by herself. 'That's... Wow! Congratulations!'

Ariadne looked almost disappointed. 'You're pleased?'

'Delighted. We could certainly use a little extra cash.'

'Oh, they're not paying me. It's voluntary.'

'Ah. Well. At least it'll get you out of the house. It'll be an interest for you.'

Ariadne regarded her husband with suspicion. 'You really don't mind? I thought you hated the Albionites.'

'That's hardly the point. I'm just glad you've found something to do. By the way, what exactly *are* you going to do?'

Ariadne positively smirked. 'Meet Jack Wright's Girl Friday!'

Gold could have laughed out loud. 'Good for you! That's fantastic!' Nevertheless, he couldn't entirely subdue his inner accountant. 'I'm not sure why they're not paying you, though. After all, as of today, he's running the country.'

'It's a time of national emergency. We have to set an example of selfless service. Even Jack doesn't draw a salary.'

Gold nodded solemnly. 'Admirable.'

'What's that supposed to mean?'

'Nothing. Really. It *is* admirable. Selfless service and all that. Look, why don't we go out to eat somewhere? Celebrate.'

Now it was Ariadne's turn to stare. 'We never go out for dinner.'

'Then let's break the habit of a lifetime. Shock the world.'

Shelleys was one of the few decent restaurants to soldier on in the face of failed wholesalers and depleted markets. The staff stubbornly ignored the pale, dispirited housewives whose daily queue for the bakery doubled back on itself on the frontage of the restaurant. These days, the most sought-after tables were the furthest from the window.

Gold studied Ariadne's face in the light of their guttering candle and experienced a twinge of nostalgia for some half-remembered moment of tenderness in their distant courtship.

The formalities of ordering concluded, Gold smiled. 'So what made you pick the Albion Party?'

Adiadne shrugged. 'Geographical convenience?'

'Really? Is that all? You could have taken a job at the Food Hall. It's even closer. And at least they'd have paid you the minimum wage.'

Ariadne prickled. 'Alright, perhaps the promise of a little intellectual stimulation was enticing. Goodness knows, I get little enough of it at home.'

'The Albionites are hardly at the cutting edge of political philosophy. *If you can't ban it, burn it* would seem to sum up their thinking.'

'Don't be a snob.'

'Don't be a patsy. If for no other reason than if – when – this lot gets the heave-ho, collaborators won't be treated with a great deal of understanding or compassion.'

'Is that what I am? A collaborator?'

Gold made much of breaking his bread roll. Finally, he replied, 'That rather depends.'

'What do you mean?'

'I suppose I mean, you have to decide whose side you're on.'

'Must there be sides, then?'

Gold looked at her speculatively. Was she really so naive? 'Yes, I'm afraid so.' Tentatively he extended his hand across the table and took Ariadne's. 'Look. Jack Wright may be a hero, into selfless service. Or he may be an evil bastard, into self-service on a breathtaking scale. But we do know that he talks a lot about truth and honesty and transparency. So what I want to ask of you is... just tell me a bit about what the Party's up to. If it's what they say they're doing, then fair enough, Jack is vindicated. If they're lying or covering something up, well then...'

'You're asking me to be a spy.'

'I'm asking you to make sure that he's the good guy you believe he is. For your own sake, as well as mine. You wouldn't want to be duped by him, any more than the whole country would. Think of it as a sort of running reality check. If you're right about him, nobody gets hurt. If you find out you were wrong, you'll be doing us all a great...selfless service.'

Gold switched on the High Definition flat-screen Surround Sound home cinema system that occupied an entire wall of the living room. It's sophistication was rather pointless, now that 749 of its 750 channels were devoted to the new government-sponsored 'news' network, ALBI 1. The remaining one showed back-to-back repeats of *The Dragon's Den*.

The day's big story was the collapse of the Bournemouth-based bank, Southern Pansy. ALBI 1's financial correspondent was interrogating the Chairman beneath a wilting depiction of the bank's yellow floral logo.

'I'm sure our viewers will find it absolutely incredible that no lessons seem to have been learned from the banking credit crisis of 2007.'

The Chairman shifted uncomfortably. 'If I may say so, the circumstances are rather different. The collapse of Northern Rock...'

'...was triggered by so-called *sub prime* mortgage lending in the US market. But compared to Southern Pansy's lending policy, *sub prime* looks like a model of prudence and probity.'

'Well, I wouldn't say...'

'Just look at this!' With a triumphant flourish, the interviewer cued a film shot outside Southern Pansy headquarters. A reporter was questioning a rabble of ruffians, to whom the concepts of *orderly* and *queue* were clearly foreign ones.

'Excuse me – you're a Southern Pansy borrower?'

'Ooh, careful, mate!' hooted one of the mob.

'On what kind of property did the bank grant you a mortgage?'

The customer gestured with his thumb to a black Range Rover with tinted windows. 'Me motor. An' we gone to Florida an' all.'

'So there wasn't actually a property involved?'

'Wot, you mean an 'ouse?'

'Exactly.'

'Nah, mate. I ain't got no 'ouse. I'm 'omeless, me.' He grinned to reveal three big, brown teeth. 'Omeless an' proud of it!' This invoked a ragged cheer from his fellows, who gestured lewdly and leered like gargoyles into the camera.

'Can I ask how much you actually borrowed?'

'You can ask, sunshine, but I can't *actually* remember! Tharsands!' Which produced a fresh wave of hilarity from the crowd.

The reporter turned to address the camera. 'Borrowers like these were expressly targeted by Southern Pansy's aggressive sales team, in what has been dubbed the Pond Life Mortgage Scandal.'

'Ere!' cried a big man with matted hair and a lady's mauve coat, 'Watch your ****ing language, mate, unless you're after a gobful of slack teeth!'

Back in the studio, the Chairman sagged visibly. 'You're painting a rather biased picture here. That was hardly a representative sample of our customers.'

'Ah!' exclaimed the interviewer, with the satisfaction of a hunter watching a bear fall into a pit. 'I'm glad you said that, because actually we interviewed quite a broad spectrum of SP borrowers.' And he swivelled to watch the screen once again. This time, the reporter was addressing a well-groomed, middle-aged man. 'So if I understand you correctly, you Southern Pansy lent you two hundred thousand pounds in the form of a twenty-year mortgage?'

'That's correct, yes.'

'But you didn't actually spend it on a home, did you?'

'No. The bank never stipulated that the money had to be spent on a property.'

'So, what did you spend it on?'

The other looked down at his shoes. 'Shares.'

'Shares? Shares in what?'

The customer shifted uncomfortably from foot to foot. 'Southern Pansy,' he replied quietly.

Gold's jaw dropped as he struggled with the implications of this unorthodox investment decision.

In the studio, the Chairman seemed to be looking around for an escape route.

Suddenly, the interviewer leaned forward, his hand pressed to his earpiece. 'I'm sorry, Lord Poole, but we're just receiving some news from Westminster where president Wright has been chairing a session of the Emergency Finance Committee.'

The screen flickered and Jack Wright's image appeared at the head of a long table around which were seated a dozen haggard and dishevelled men and women in crumpled business suits.

A television technician whispered to Jack, who rose and followed him a broad bay window overlooking the river. Someone hurriedly pinned a microphone to his lapel. He glanced at his watch and cleared his throat. 'Citizens of Albion,' he began. 'For one night and the best part of a day, we, the committee charged with addressing the financial problems currently assailing the country, have been specifically debating the Southern Pansy crisis. And I can confirm that we have come to the conclusion – I might say, the inevitable conclusion – that the bank can no longer operate as a viable concern, and that the government has no option but to nationalise it.

'As of this moment, dealing in SP's shares is suspended and its remaining assets transferred to a new department of the Treasury created by myself with just such an eventuality in mind.

'I would just take this opportunity to say that we profoundly regret having to take this course of action. If the banking sector would only conduct itself with restraint and responsibility, instead of the arrogance and greed that have so characterised its behaviour in recent times, such Draconian measures would not be necessary.

'As it is, our first concern must be to protect the interests of SP's depositors and employees. While we feel a certain sympathy for the shareholders, it must be said that investing in a public company confers duties as well as financial benefits. Good governance is the responsibility of every shareholder – not just of the executives and directors.'

Alan Gold shook his head. Perfect. Just the excuse Wright needed to stamp on the banks. 'Ariadne! Come and see this!' His wife appeared in the kitchen doorway, liberally coated in flour. 'Have you seen this? Your Jack has only gone and pinched the SP bank.'

Ariadne smiled a little superciliously. 'Ah, yes. I thought that might happen. It's been on the cards for a week or so.'

'Has it now! Good of you tell me.'

'I'm not at liberty to divulge information of that nature. If it had got out, it would have distorted normal market forces. In any case, I've signed the new Restricted Transparency Act. Anyway, I didn't know you had an account with SP.'

'I don't,' replied Gold. 'You do. I opened it when we were married. It was going to be a surprise for you on your fortieth..'

Nothing confused Ariadne as much as an unexpected gesture of kindness or generosity by her husband. 'How much was in it?'

'Oh,' replied Gold blithely, 'Just over £25,000. Still, never mind – what the eye never saw, the heart shouldn't grieve over. Besides, I expect it'll go to a good cause.'

'What cause?' said Ariadne, uncertainly.

'Your Jack's back pocket.'

'Stop it, Alan. He's not my Jack.'

'I suppose that's a minor consolation. He might have nicked the dowry, but at least he didn't get the bride.'

'Don't be so stupid!' Ariadne struck the back of the sofa, leaving two floury handprints. 'And anyway, he's not a thief.'

'Well, we won't know that until you start telling me more about what he's up to. Like you said you would, at the restaurant.'

'It's a... bus,' said Shirani blankly.

'Correct!' cried Gold.